Briefing on State of Play: Refrigerant Policy and Market
20 June 2025

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Point of the Session

How (and why) is the world changing vis a vis refrigerants and the sector

What can we expect in the near term

My understanding of your concerns

Concern regarding exposure to reductions in supply/ significant refrigerant price increases for R134a.

Uncertainty as to broader moves Government may make impacting on the sector.

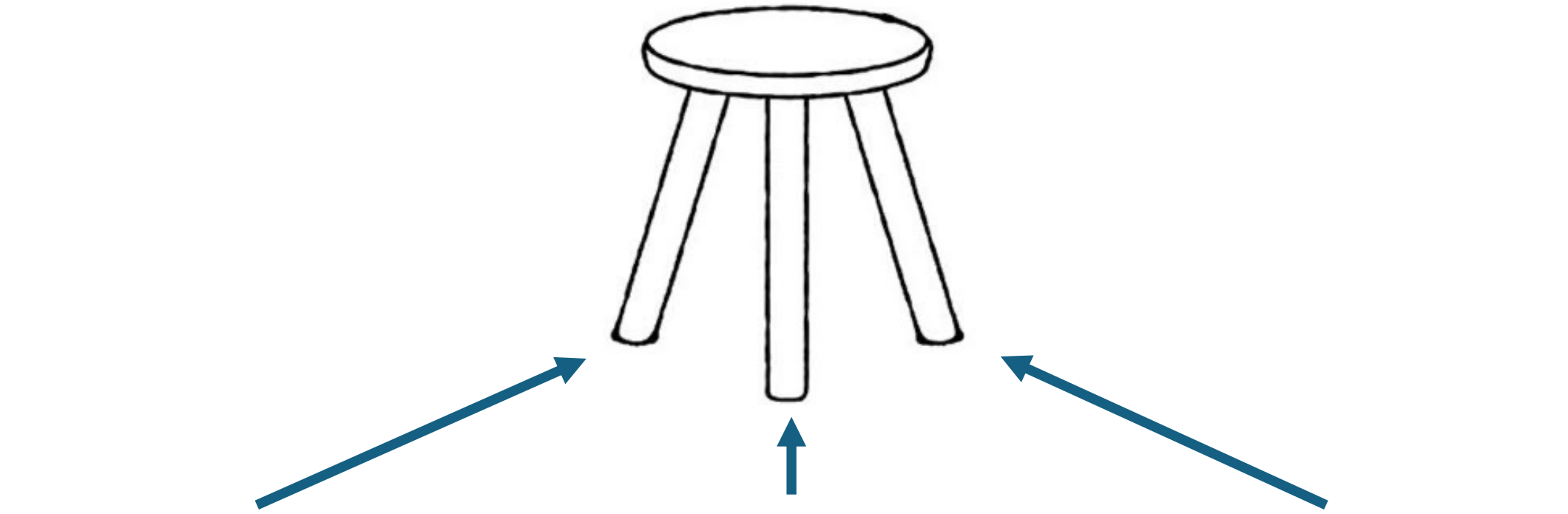
Why do anything on refrigerants?

Climate change is real

Governments are taking real action

Refrigerants really matter, and will matter more in the future

Australia has a good policy basis (but there have been a few issues in implementation)

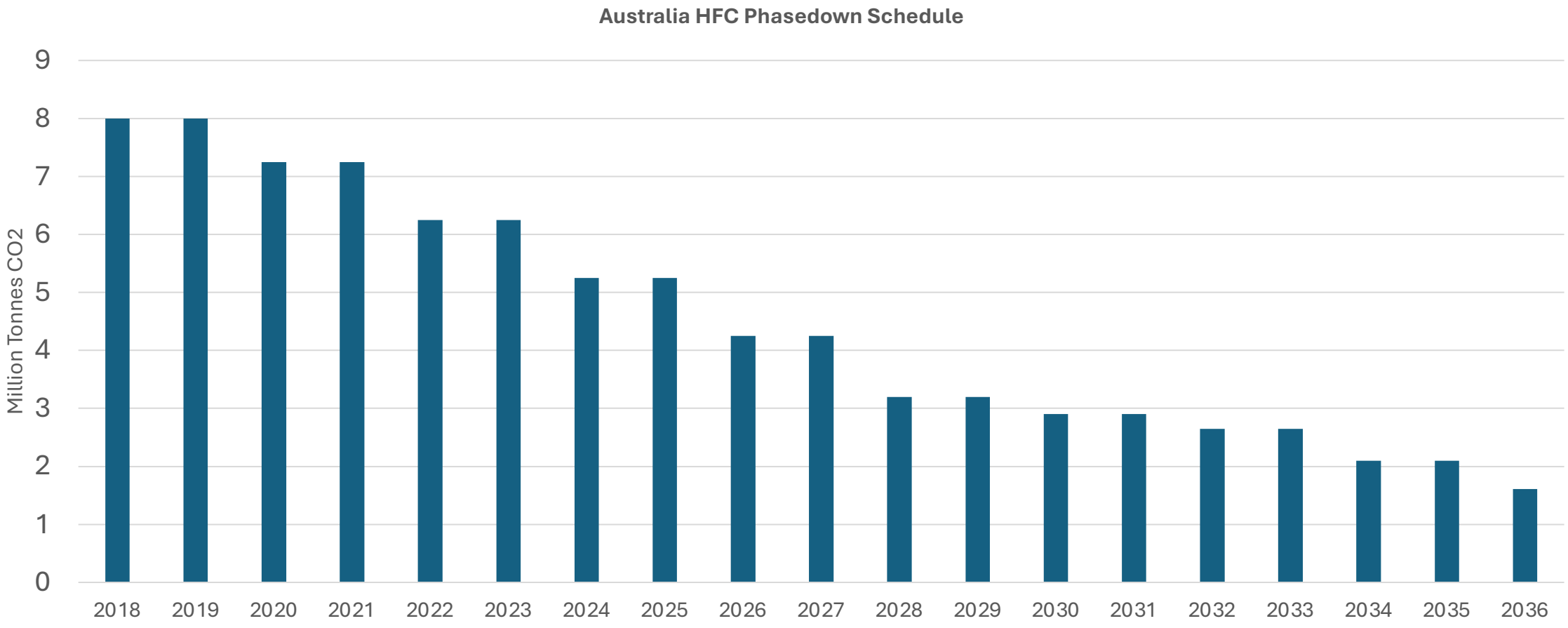


Import Controls

- Bulk refrigerants – driven by Kigali Amendment to the Montreal Protocol and Australia's legislated HFC Phasedown
- GWP limits on new equipment and gases allowed under domestic legislation but mostly not used (yet)

Australia's HFC phase-down

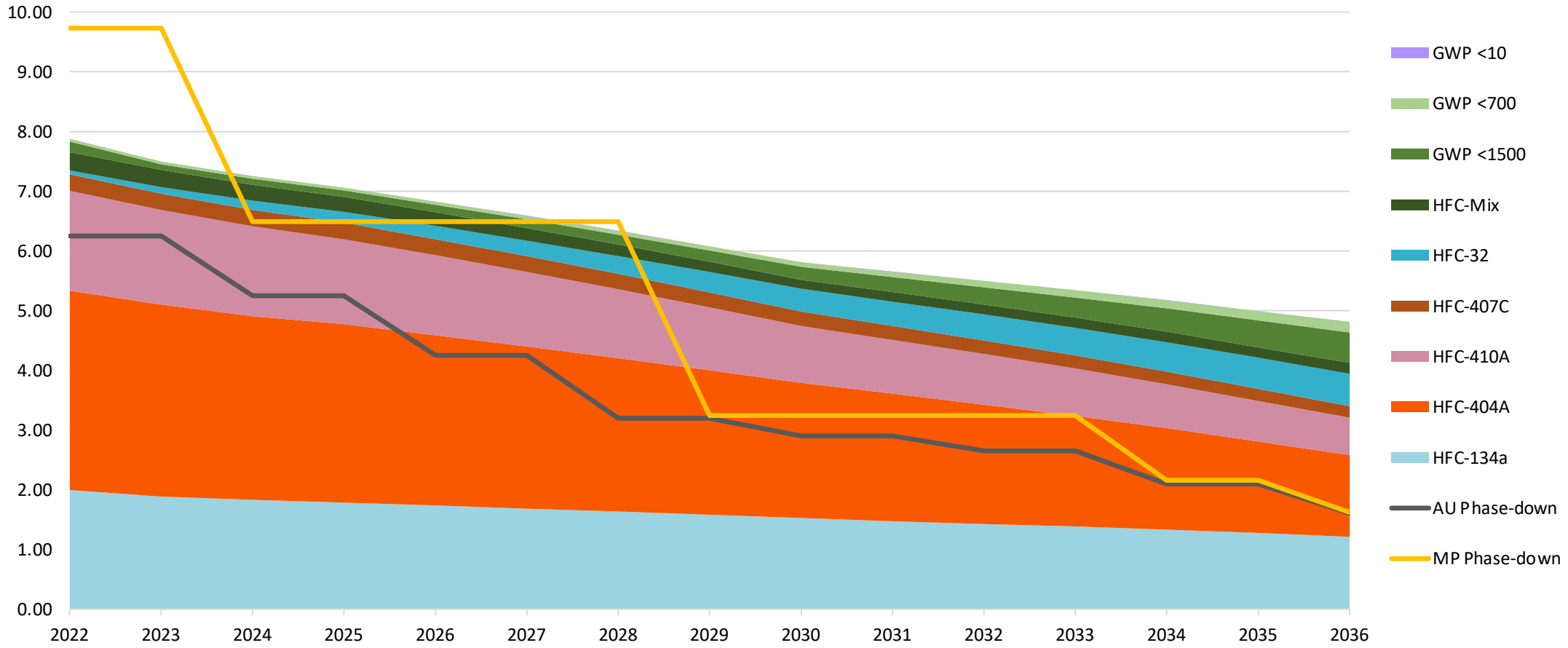
Australia’s Refrigerant Phase down



Australia’s Quota System - 2026

- 95% grandfathered quota
  - covers bulk refrigerant imports only
  - Manufactured product imports covered in country of manufacture
  - No allowances made for domestic manufacture in Australia
- 5% quota held over for new entrants
  - Government decides how to allocate every quota period (2 year cycle). Government making decision now
  - In previous cycles, Government has allocated refrigerant in equal shares to everyone who has applied.

Australia's Refrigerant Usage Projections - BAU: Cold Hard Facts 4



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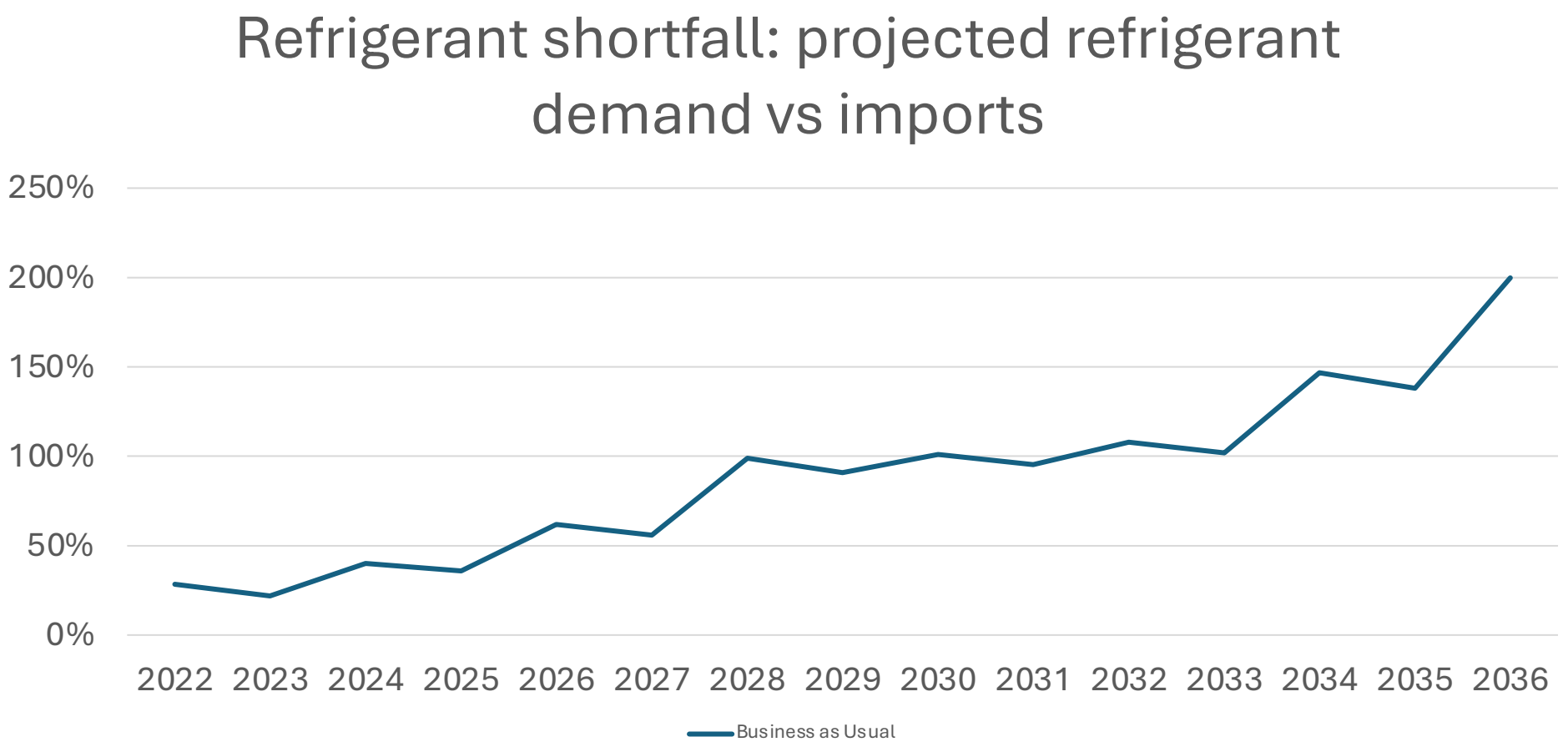
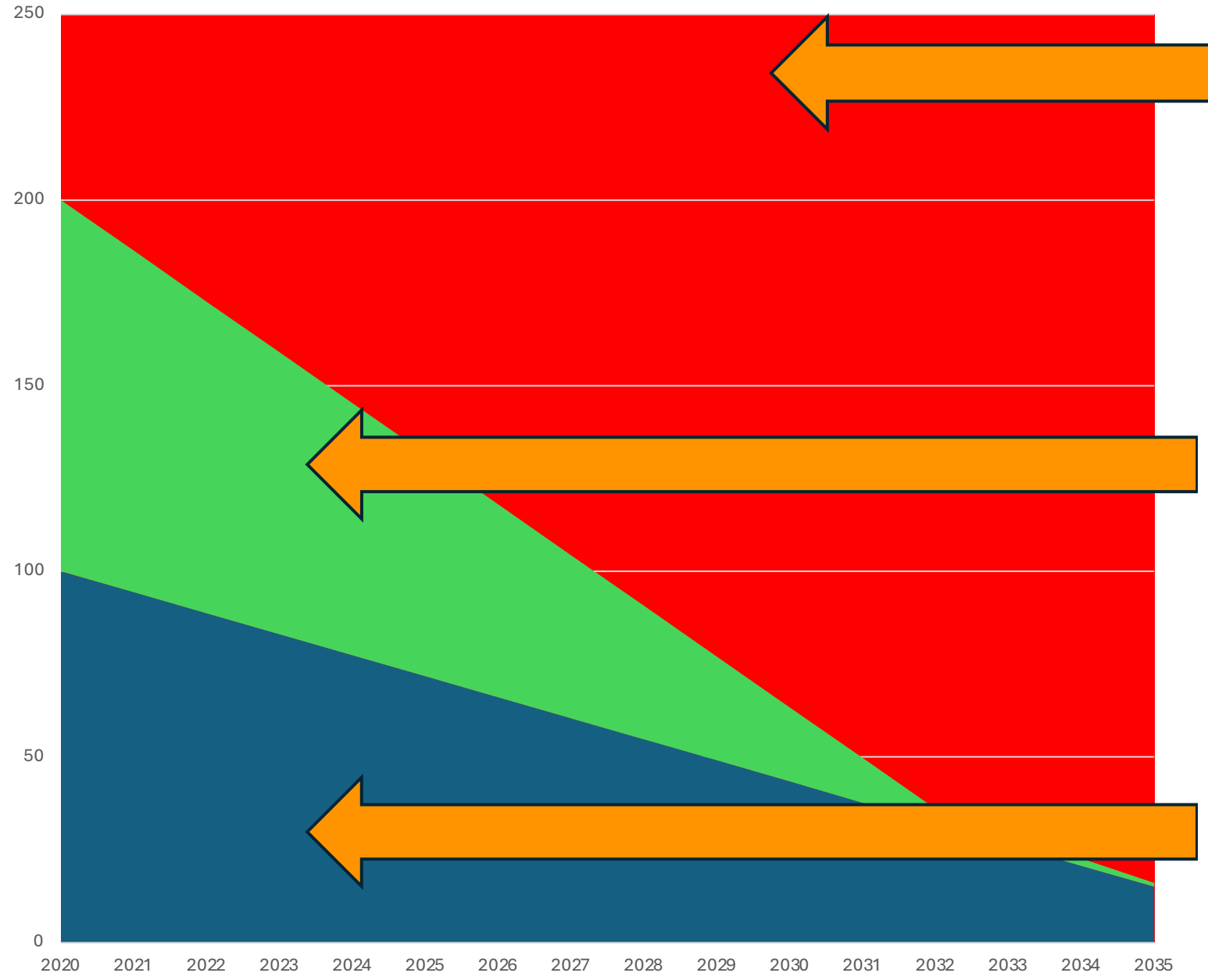


GWP Limits - Conceptual Only



No GWP limit on new equipment – industry slow to change – eventual refrigerant shortages and disruption (Australia & NZ)

Appropriate GWP limits – transition smoother, but with higher costs and some disruption inevitably occurring

Aggressive GWP limits – higher costs, difficulty with training and safety, stranded assets (EU)

Australia got it wrong for 3 reasons

With CFC and HCFC phaseouts - and bulk quota arrangement - equipment changed refrigerants promptly

Early introduction (2014) of R32 in Australia in small AC equipment led us to believe this pattern would replicate with other HFC technology. It did not.

Other sectors – commercial refrigeration and car AC particularly - have yet to really respond, despite alternatives being available and widely used overseas

Future of R134a – near term (through summer 2025/26)

Price rises should be expected.

Strong expectation there should be sufficient supply R134a for the mobile sector.

Reasonably high rates of reclaimed R134a.

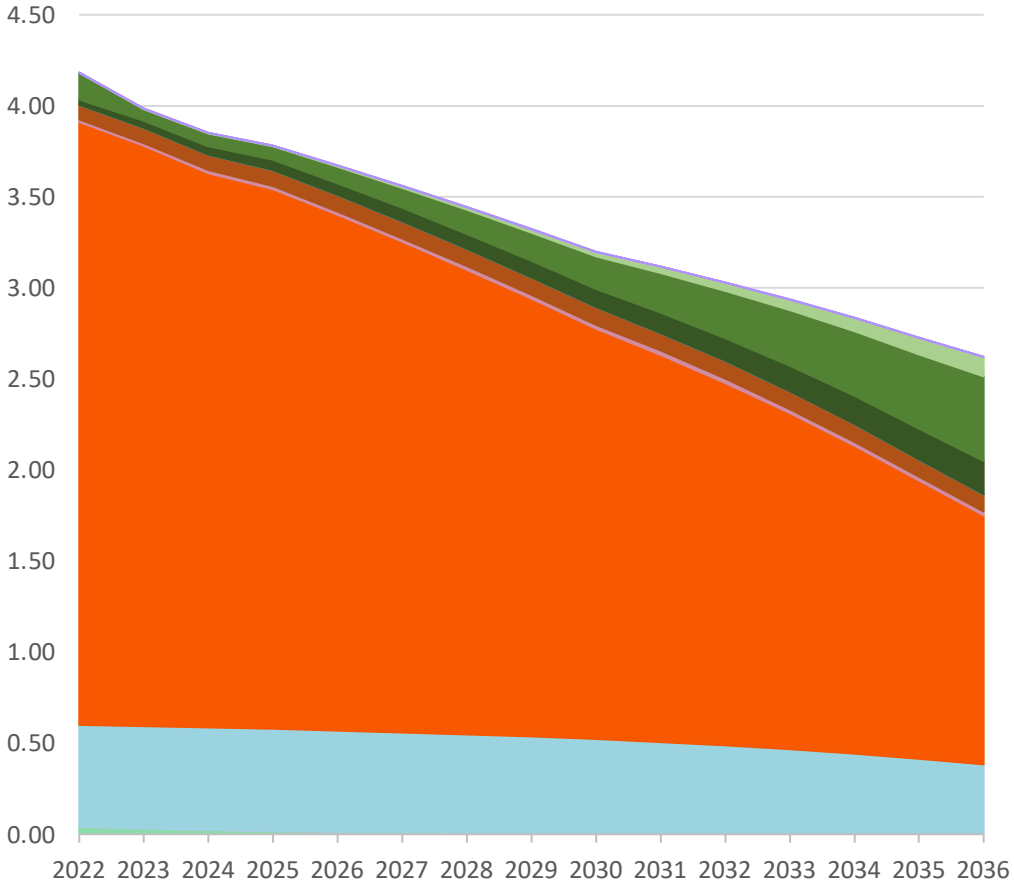
Industry (has and will) lobby government for urgent action

Steps the Australian Government should take

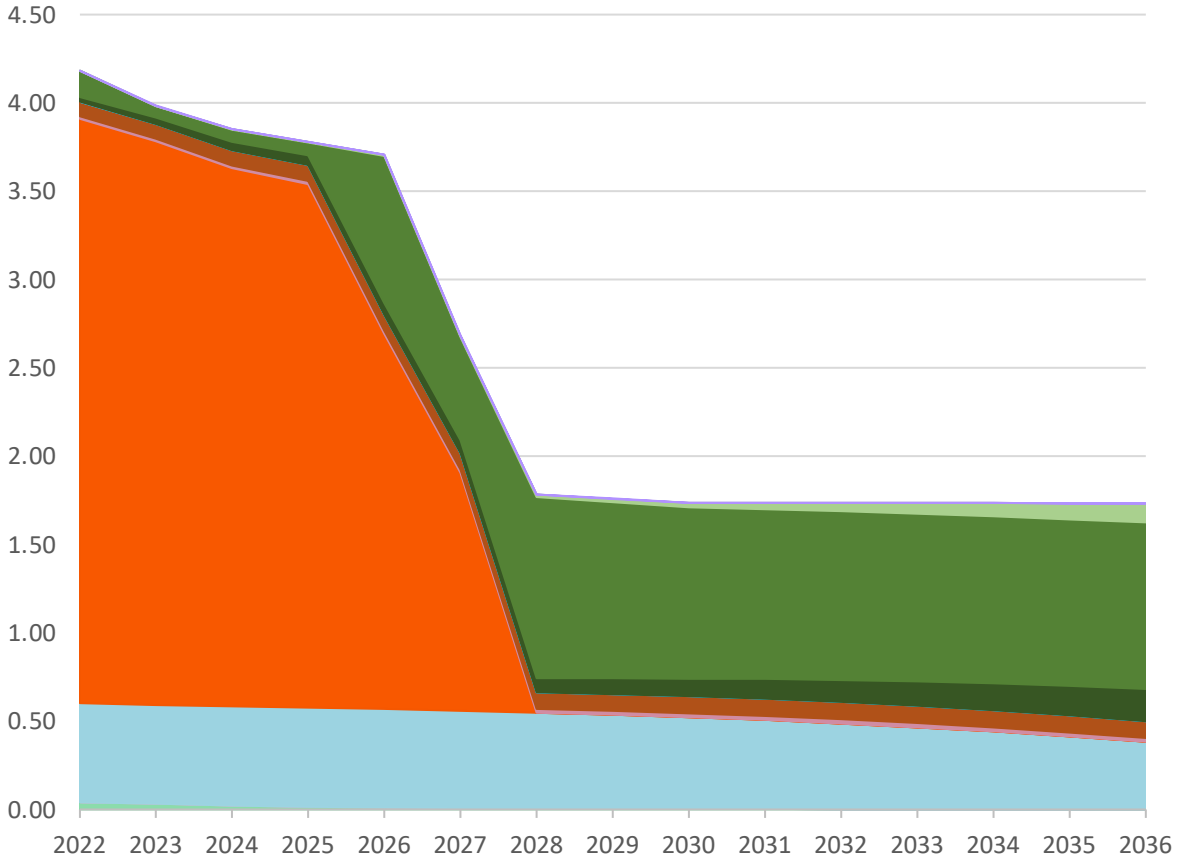
Action - commercial refrigeration	GWP limit of 150 for new car ACs from 2026	GWP limit of 750 for new medium AC and heat pumps
• GWP limit on new equipment (2026) • Prohibition of bulk R404A imports (2028) • Service Ban on R404A (~2032)		

1. Changing the Path – Commercial Refrigeration (in CO2-e)

Current Projection

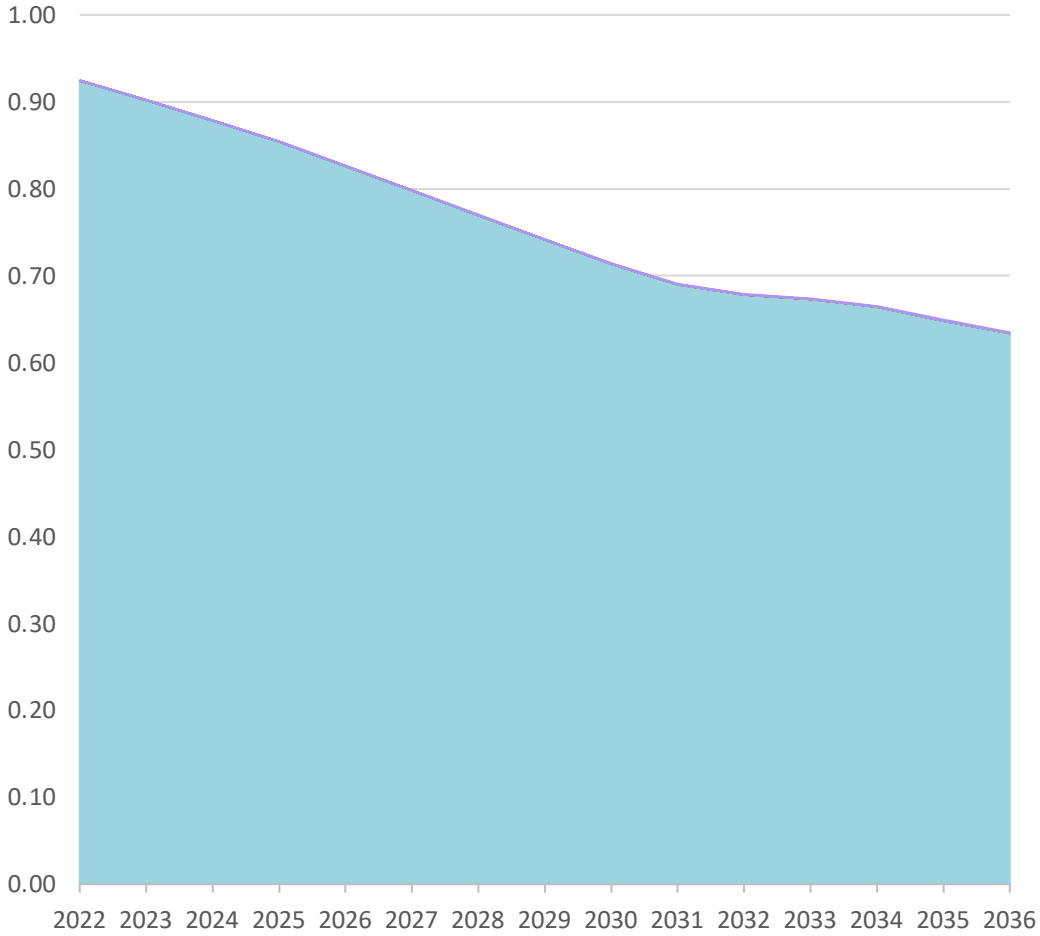


With Measures

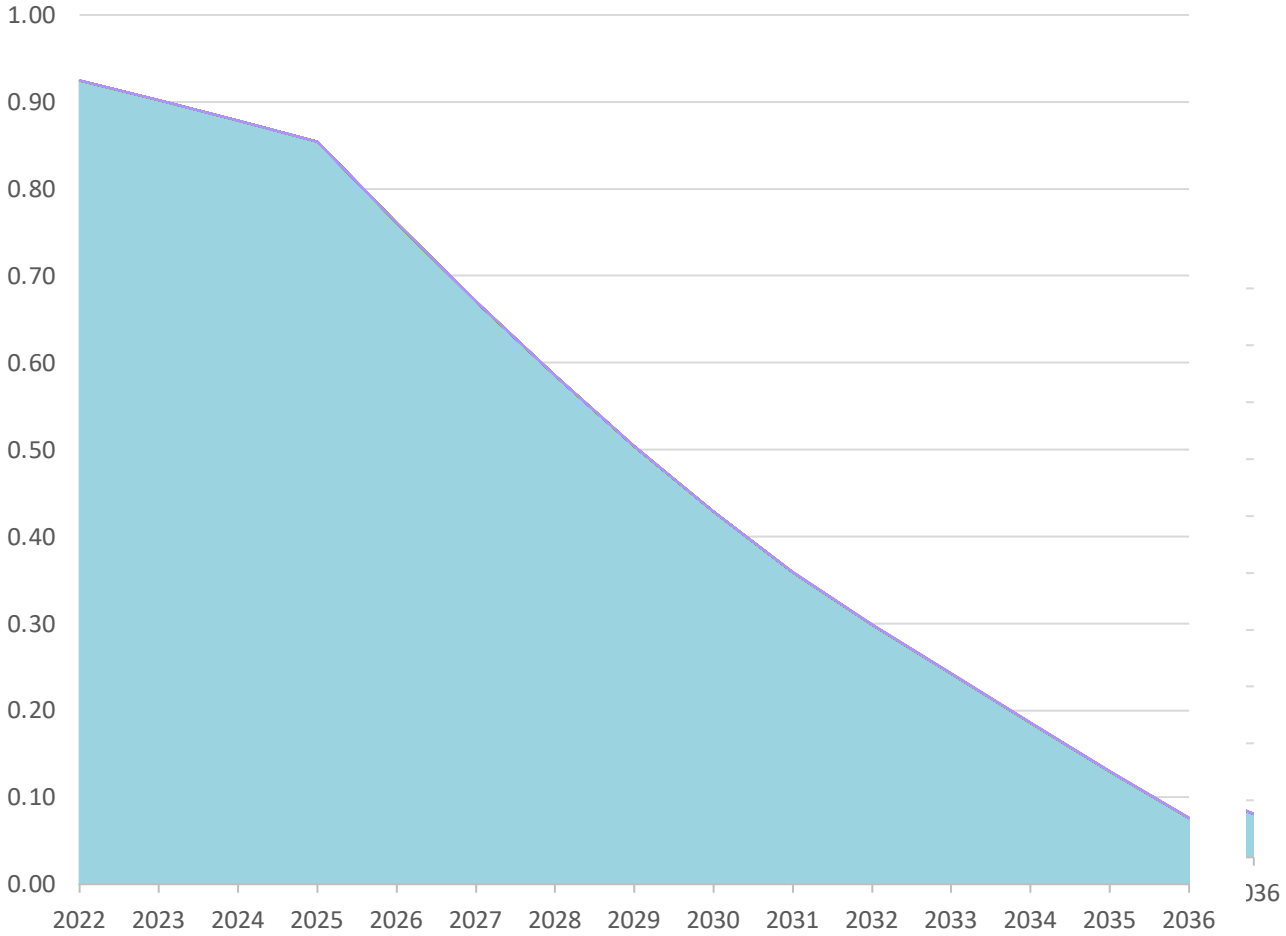


2. Changing the Path – Car AC (in CO2-e)

Current Projection

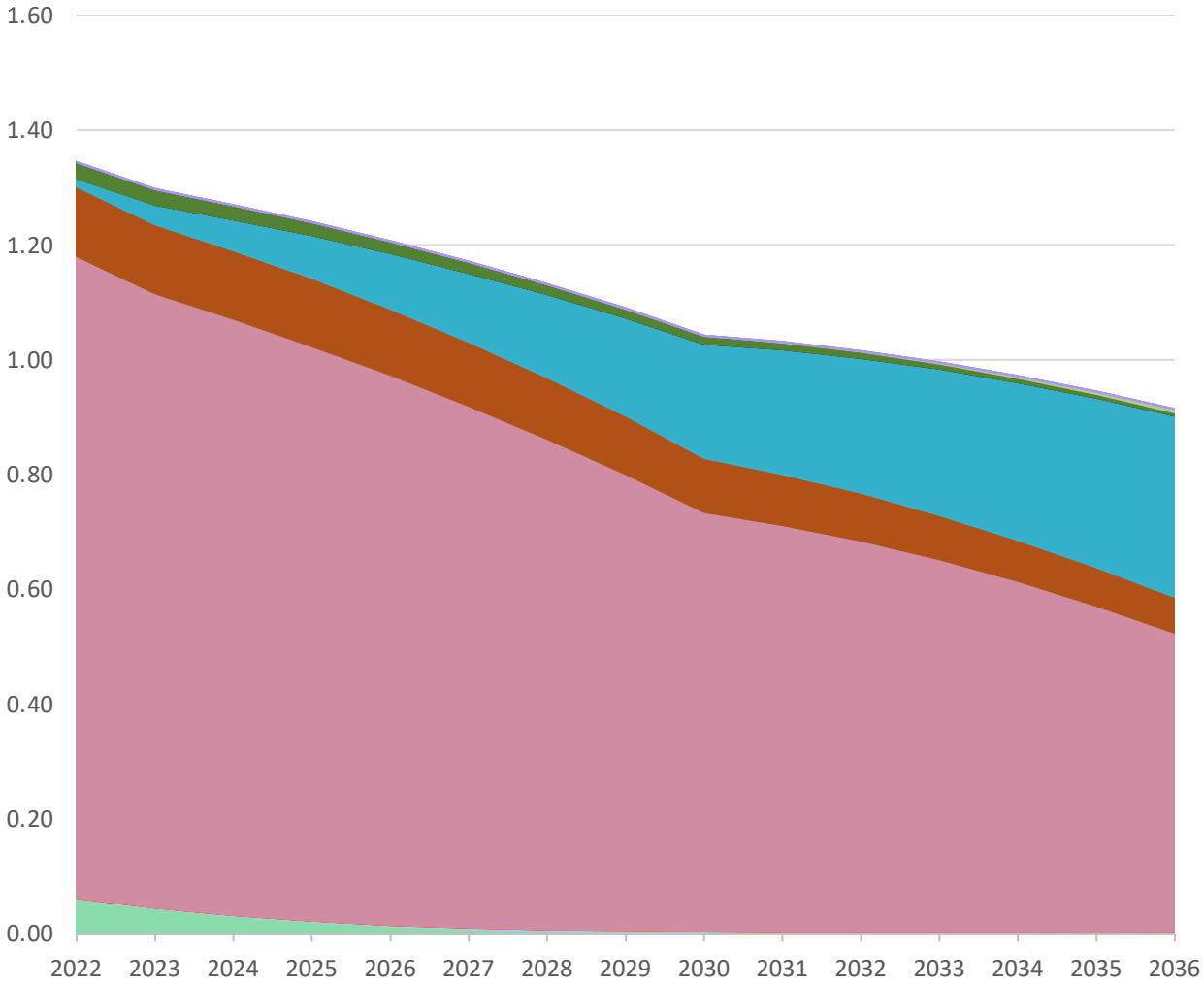


Usage with a 150 GWP limit



3. Changing the Path – Medium AC and Heat Pumps (in CO2-e)

Current Projection



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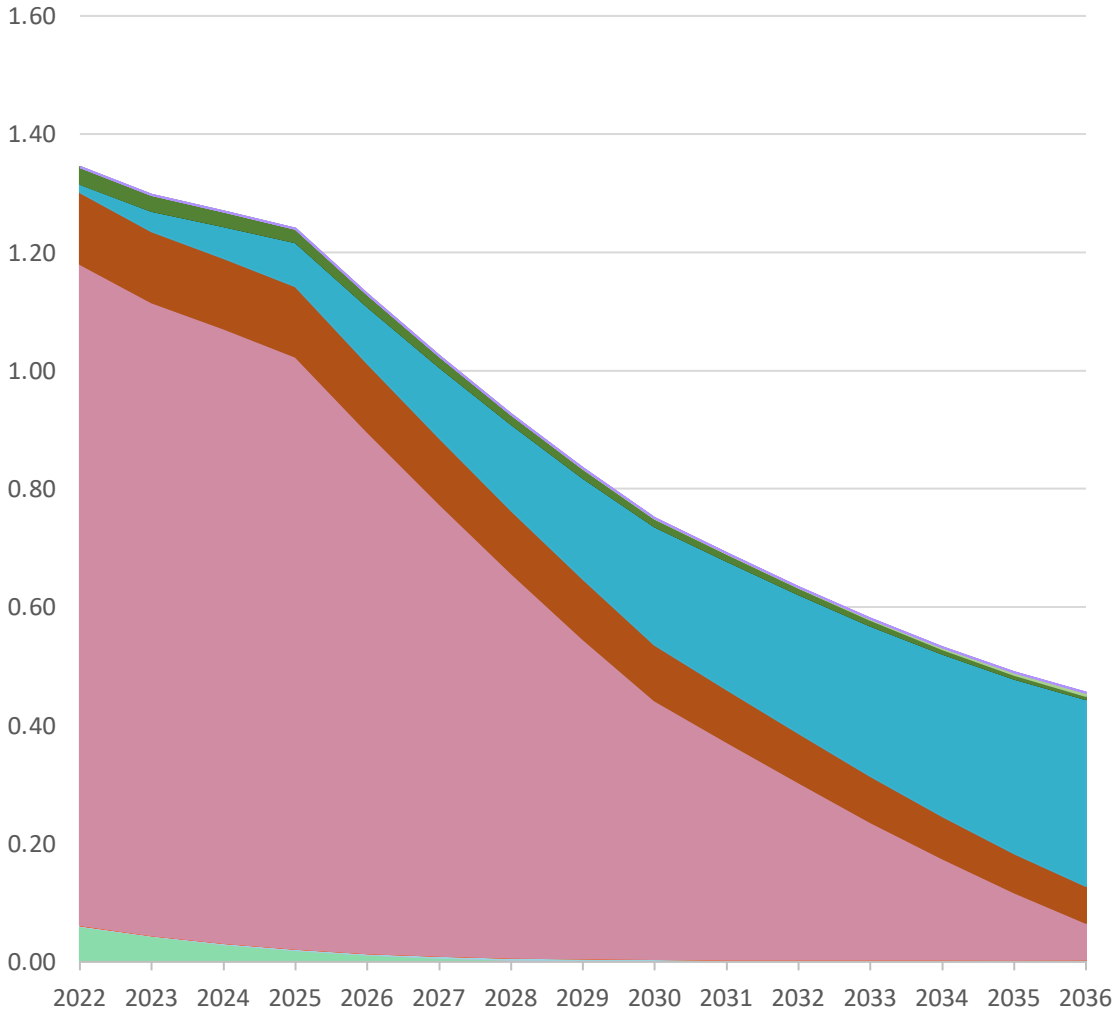
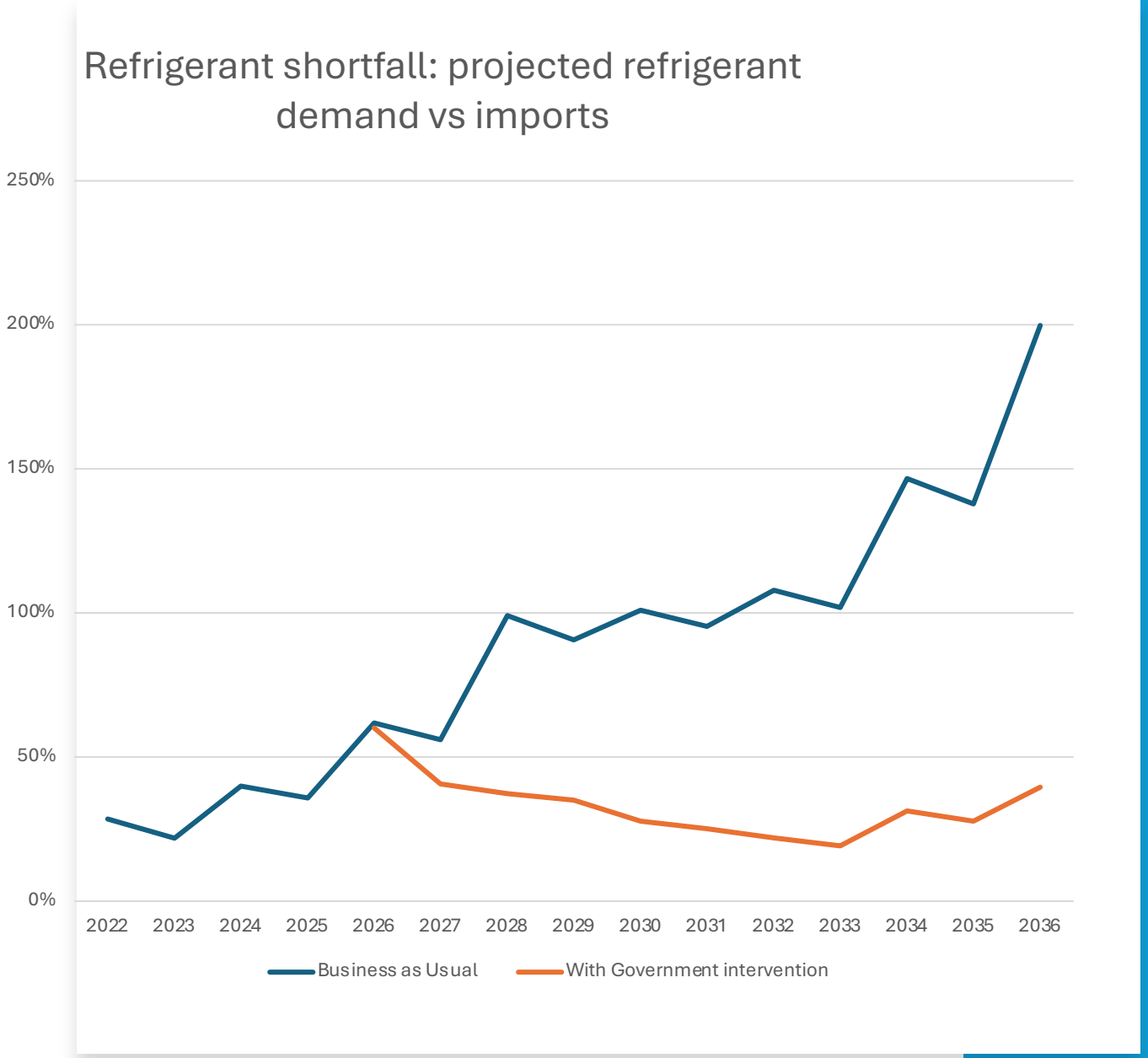


Where would these changes leave us?



Use Controls - licensing

Licensing has been effective in raising industry standards

There is a crossroads approaching with reduction in the use of R134a in MAC

Should Government keep ARC license for MAC (Option 1)?

Given the reduced climate impact from MAC the Government could decide to remove the license on MAC technicians at some point in the “medium term”

Should Government keep ARC license for MAC (Option 2)?

Battery systems on electric vehicles require refrigeration systems for performance and range. A trained and licensed workforce improves the fleet.

There are concerns about YF in the environment and safety concerns about all refrigerants. Ensuring only competent people can access refrigerants still delivers environmental improvement and keeps workers and consumers safety.

Triggering the decision on licensing

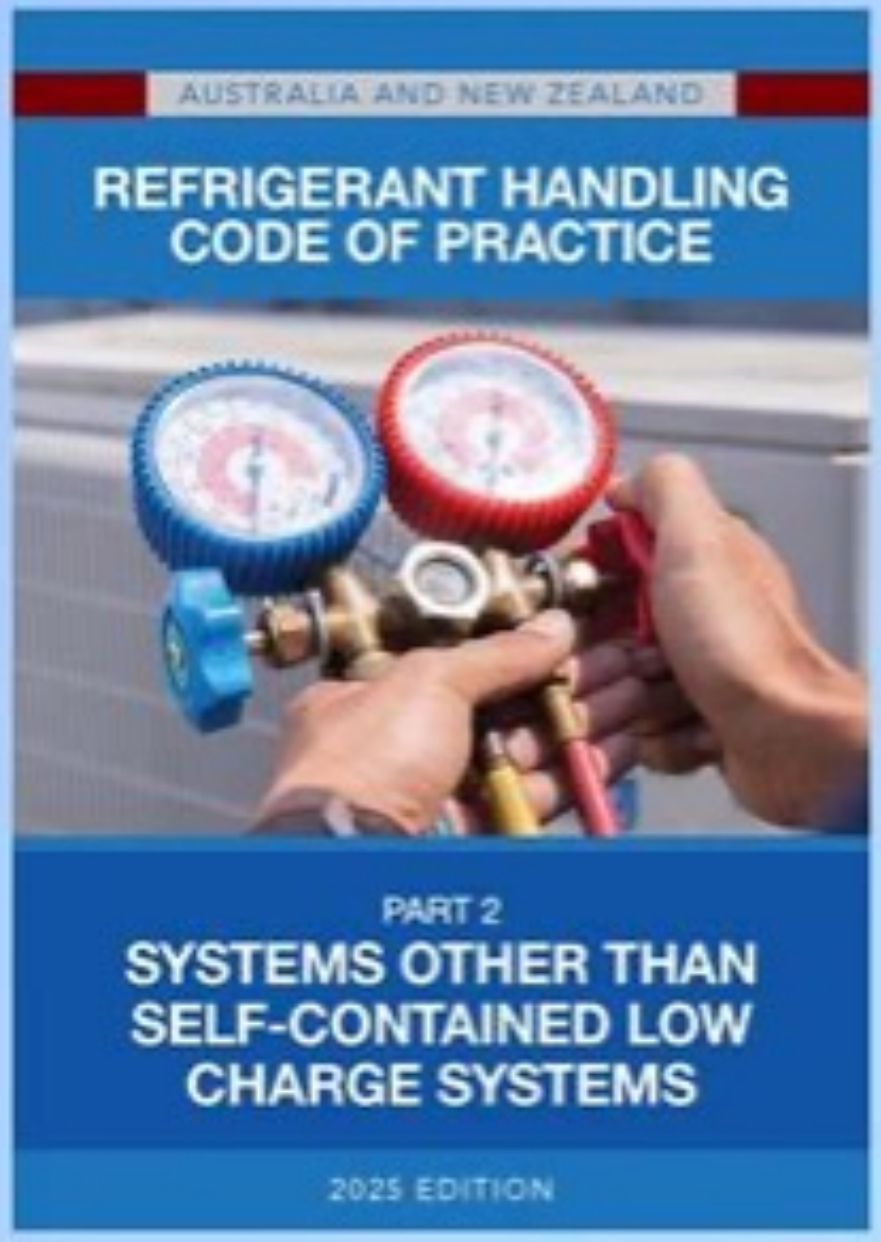
It is likely that the underlying law – the *Ozone Protection and Synthetic Greenhouse Gas Management Act* – will be reviewed by the Federal Government over the next two or three years. Industry has been pushing for this to happen, both to get certainty over what the future will bring and to improve the regulations underpinning the ArcTick scheme

How will the review be decided?

Industry will have a massive influence over what is decided. If the trade says get rid of the scheme, or keep it, in a loud and nearly unanimous voice then it is likely that is what government will do. Of course, the view – whatever it is – will need to be supported with clear argument and strong evidence.

Revision to Mobile Code of Practice

- Technology (and best practice) has changed
- VASA taking the lead in revising CoP
- First step in improving detailed regulations



End-of-life Controls: Review of legislation needed here too

Thanks for your attention

Questions?